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C O N F I D E N T I A L PANAMA 000115

SIPDIS

E.O. 12958: DECL: 01/28/2019
TAGS: PGOV PM ECON PREL
SUBJECT: PANAMA: BALBINA'S PLATFORM UNDERSCORES CONTINUITY

Classified By: Classified by: Ambassador Barbara J. Stephenson for reasons 1.4(b) and (d)

SUMMARY

11. (C) Governing Revolutionary Democratic Party (PRD) presidential candidate Balbina Herrera and her party in January released their electoral platform that stresses continuity, particularly with respect to current president Martin Torrijos's economic and social welfare policies. Interestingly though, the platform neglects to mention President Torrijos (who is also the PRD Secretary General) by name. Highlights of the platform, a sweeping document describing an integrated approach to social development, include:

- grand plans for a new public transportation system in the capital;
- universal access to pre-school and high school education;
- Panama's "consolidation" as a regional business center; and
- a list of 100 "Commitments" to the people.

(C) Conspicuously thin and low-profile, however, are PRD proposals to address rising crime that has consistently polled in recent months as the top concern among Panamanians.

Although Democratic Change (CD) presidential candidate Ricardo Martinelli and his grand five-party opposition Alliance for Change have yet to release a platform, Martinelli has effectively captured the strong "change" sentiment among the electorate in a campaign where policy debate has taken a back-seat to personality. The continuity preached in Herrera's broad electoral platform indicates that she is willing to stick to her PRD guns, even as she lags behind in the polls and Torrijos's approval ratings dip below 50%. End summary.

PLATFORM: WHAT THE PRD CAN (CONTINUE TO) DO FOR YOU

12. (C) The PRD in January 2009 released an 86-page document entitled "Promise of a Government for the People: Electoral Platform, 2009-2014" that lays out the challenges, plans, and promises of a prospective Herrera presidency. The platform argues "the fundamental purpose of 'a government for the people' is to achieve sustainable human development with quality of life, concentrating on the most vulnerable sectors: indigenous areas, and the rural and urban belts of poverty and extreme poverty." The platform is described as "the continuation of (former military dictator Omar) Torrijos's national transformation legacy," and aims to build a Panama "compatible with both a market economy and the right to a dignified life, particularly for the poorest groups"

(Note: Herrera repeatedly refers to herself as a "torrijista at heart" (torrijista de corazon); the reference is not to President Martin Torrijos, but rather to the president's father and former Panamanian dictator Omar Torrijos.) The platform is organized into five broadly strategic "prongs" designed to foster "development with equity:"

- Human Development with Quality of Life,
- Economic Growth and Job Creation,
- Integration of the "Three Panamas,"
- Citizen Participation in the Government, and
- Modernization of Public Institutions.

Sub-sections within the prongs include a "diagnosis" of the current status of a particular issue, "objectives" for improvement, and a list of "what we will do."

A WOMAN, A PLAN, FIVE PRONGS

¶3. (C) The Human Development with Quality of Life section represents the bulk of the plan, and lays out projects to address high-profile social challenges, including: healthcare delivery, poverty, education, food security, citizen security, transportation, housing, and employment.

-- Healthcare and poverty receive the most attention, highlights of which include: assuring free public health services for vulnerable populations including children under five and pregnant women; implementing a national electronic medical records system; and boosting 24-hour medical services in priority areas.

-- Anti-poverty measures aim to incorporate marginalized populations into national development through improvements in a variety of areas such as education, food security, housing, and transportation. Measures aimed at rural and suburban populations include steps to improve the delivery of public services to the poorest areas, efforts to reduce the drop-out rate, supporting businesses that build low-cost housing, strengthening community efforts to prevent youth gang membership, and extending transportation infrastructure to poor suburban areas. Projects directed at poor rural and indigenous populations include increasing land titling, facilitating producers' access to the market, and for indigenous autonomous regions (comarcas), the integration of modern and traditional education approaches.

-- The education sub-section reveals that almost 40% of children do not receive preschool education, and more than half of youths between the ages of 14 and 17 drop out before finishing high school. The plan's broad ideals such as "improving the quality of schooling at all levels," and providing universal preschool and high school education are backed up by incentive and training plans for teachers and programs to construct and maintain school buildings.

¶4. (C) "Generating dignified jobs and opportunities for all by sustaining dynamic growth above 5% annually" is the main objective described in the Economic Growth and Job Creation section. Specific objectives include consolidating Panama as a regional and global center for a variety of services, including banking and finance, cargo transportation, and communication, and developing a sustainable eco-tourism sector. Plans for programs in 11 economic sectors that will drive growth include: (a) ensuring that canal expansion proceeds on schedule; (b) the improvement of infrastructure serving the "canal conglomeration" (the network of businesses and services linked to the canal, which accounts for 35% of Panama's GDP and 72% of its exports); (c) development of the tourist sector (including protection of eco-tourism resources); and (d) making Panama more attractive to foreign investment by improving security and promoting new free trade agreements (including, presumably, the U.S.-Panama Trade Promotion Agreement (TPA)).

¶5. (C) According to the platform, "for more than 100 years,

the country's regional development has lacked integral integration." Herrera and her party's platform proposes the Integration of the "Three Panamas" -- cities, rural areas, and indigenous communities -- through increased connectivity among these disparately developed regions. This section is a laundry list of infrastructure improvements to be made to rural and indigenous areas to better integrate them with the areas that derive benefits from the canal, including constructing new roads, schools, and water-treatment plants, and diversifying export agricultural production.

¶6. (C) "The lack of citizen participation in public decision-making weakens the effectiveness of democracy and diminishes the potential for the country's integral development," begins the Citizen Participation in the Government section that seeks to harness greater governmental transparency and popular consultation with civil society. It also aims to carry out the Agreements of the National Dialogue (Concertacion) for Development, a 2007 document drawn up by a group of government officials and members of civil society, religious, and business organizations advocating a series of proposals aimed at overcoming social and territorial asymmetries and promoting gender and ethnic equality.

¶7. (C) Modernization of Public Institutions aims at greater transparency, more efficient public administration, decentralization, and strengthening foreign relations with the U.S. with an eye toward passage of the TPA.

PROMISING A ROSE GARDEN

¶8. (C) The platform concludes with a list of 100 "Commitments," organized under 15 subheadings such as education, transportation, citizen security, healthcare, and food security. Highlights include:

- the construction of a monorail to relieve traffic congestion in the capital,
- opening 4,000 nursery schools and 20 new pilot schools according to national standards of excellence,
- equipping all schools with internet connections,
- incentives for English instruction,
- increasing the salaries and number of police officers (from the current ratio of four officers per 1,000 inhabitants to seven),
- building 10 new prisons,
- expanding existing hospitals and building new ones,
- continuing the clean-up of the Bay of Panama,
- improving the water supply in several cities,
- helping ensure food security by creating a fund to stimulate production of "strategic foods," and
- building new markets in several communities to keep food prices down.

(C) The "Commitments" list is drawn almost entirely from the Human Development prong, highlighting the PRD's legacy of social development dating to the Omar Torrijos dictatorship.

MISSING THE BOAT ON SECURITY

¶9. (C) While long on social development, the platform is short on measures to relieve Panamanian hand-wringing over the rising crime rate, which has consistently polled as the citizens' top concern in recent months. "Citizen security" efforts do include predictable plans to increase the salaries and number of police officers, but also bland nods to "capturing and punishing criminals according to the law," and "improving prison infrastructure to facilitate rehabilitation." Similarly, despite a recent up-tick in confrontations between the National Frontier Service (SENAFRONT) police and the Revolutionary Armed Forces of Colombia (FARC) in Panama's Darien province, there is no substantive discussion of border security. The platform also

fails to discuss how Herrera's administration would make use of last year's controversial security sector reform that the government justified, in part, by asserting that these reforms would reduce street-level crime.

COMMENT

¶10. (C) Herrera's platform hails the achievements of the current Administration--debt reduction while sustaining economic growth, investment promotion, sound macro fiscal policies, the increase of basic public services, the reduction of poverty--without mentioning sitting president and PRD Secretary General Torrijos by name. As Torrijos's approval rating hovers around 49%, having slid some twenty points over the past year or so, the omission of Torrijos's name very likely is intentional. The platform's intent is basically to remind voters that the PRD is an established party with the know-how to continue the social welfare reforms that have been a hallmark of the current PRD government. While short on important individual issues such as crime, the wide scope of the platform is an attempt to demonstrate that the PRD understands the landscape of Panama's challenges and has the bases covered. Martinelli's untested CD party has yet to present a formal government plan. The PRD platform is in large part designed to capitalize on the hesitancy some voters have about the independent-minded Martinelli and uncertainty over how he intends to govern. (As Martinelli opens a more than twenty point lead over Herrera, the wisdom of this PRD logic is quite strained; the platform is probably too thin a reed to hold back Martinelli's surge.) Though lacking the flash and populist appeal of Martinelli's "change" campaign, the PRD is trying to underscore that it has an established governing apparatus populated by experienced PRD leaders who feel empowered by the shared vision they have and who are armed with a basic plan as to how they want to govern. One serious lacuna: the plan is silent on how an Herrera Administration would pay for any of its "commitments."

¶11. (C) The "continuity" that Herrera and the PRD have been marketing has been finding little resonance with the public. The conservative strategy to do more of the same kinds of things that the Torrijos Administration has been doing has failed to gain traction and has done little to dampen the relentless "change" drumbeat pounded out by Martinelli and his alliance partners. Presently, the general election campaign is shaping up to be about character and defining who Panamanians can most trust to govern Panama for the next five years. Ironically, the lack of substantive debate on issues and proposals is to a large extent due to the fact that not only is there a broad consensus regarding what Panama's most significant challenges are - education, healthcare, security, transportation - but also there is an almost as broad consensus as to what solutions need to be applied. (For example, a public transportation policy debate that pits the PRD's preferred monorail project against the opposition's light rail proposal is thin political gruel.) Martinelli and his grand opposition alliance labeled the "Alliance for Change" will in the coming weeks release its platform. Aside from tonal differences, post does not expect significant substantive differences between Herrera's and Martinelli's platforms. In the end, both platforms may very well end up being footnotes lost in what is shaping up to be a very ugly and messy head-to-head race between Herrera and Martinelli.

STEPHENSON